formulation prices of leader packs were based on landed cost of Rs. 4350 per kg;

(b) if so, the reasons therefor and whether it resulted in consumer being overcharged by Rs. 6 crores per year; and

(c) whether any investigation has been held in the matter and if so, what are the findings in this hegard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO); (a) and (b) No, Sir. The extract weight average c.i.f. price, as per BICP records, for the year 1991-92 was Rs. 1616.34 per kg and the landed cost worked out, after due inclusion of change in exchange rate and prevailing rates of custom and countervailing dudes, as Rs. 4364.21 per kg was taken on the basis for arriving at the prices of all leader pack formulation, except in the case of paediatric syrup. In the case of paediatric syrup, landed price on the basis of actual invoice from specific source was allowed on availability and quality considerations since there is only one manufacturer in the country and the medicine in this form is required by small children suffering from seizures. There are no reports of over-charging the consumer over and above the prices fixed by the Government.

(c) Does not arise.

**Production and Price of Ampicillin, Cephalexin and Cloxacillin**

1352. SHRIMATI SATYA BAHIN:
SHRI H. HANUMANTHAPPA:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that producers of Ampicillin, Cephalexin and Cloxacillin have failed to provide cost data to the BICP for cost study for the last six years;

(b) whether it is a fact that they have violated all Government directions and have been making high profits by charging high prices;

(c) if so, what is the present position and what action is proposed to be taken by Government to discipline them; and

(d) whether it is a fact that there is a nexus between the producers and bureaucrats?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO); (a) No, Sir. The BICP conducted cost-cum-technical study in respect of bulk drug Cephalaxin and Cloxacillin and submitted its report in February, 1989 and August, 1990 respectively. In respect of bulk drug Ampi-ciKin BICP has not yet completed the cost-cum-technical study. The prices of bulk drugs Cephalexin and Cloxacillin have been revised from time to time on the basis of BICP cost-cum-technical study report/escalation formula provided by BICP in its report. The price of bulk drugs Ampicillin has been revised from time to time on the basis of analysis of consumption norms of raw materials and utilities and other cost data. The price of this bulk drug has been revised downwards from Rs. 3098/Kg to Rs. 2885/kg w.e.f. 22.6.93.

(b) No, Sir.

(c) Does not arise.

(d)No, Sir.

**Custom duty reduction on drugs**

1353. SHRI H. HANUMANTHAPPA: Will the PRIME MINISTER be pleased to state;

(a) whether it is a fact that Government have taken the stand that benefit of drug price reduction due to custom duty need not necessarily be passed on to the consumer;

(b) if so, the reasons therefor;

(c) whether it is a fact that duty concession on bulk drugs and intermediates have been granted to siphon off foreign exchange from the country;

(d) whether it is also a fact that these concessions are granted on the requests of individuals and association; and